



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE

FISCAL REVIEW COMMITTEE

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DECEMBER 2009 STATE REVENUE COLLECTIONS

TENNESSEE GENERAL ASSEMBLY FISCAL REVIEW COMMITTEE STAFF

JANUARY 13, 2010

The Fiscal Review Committee (FRC) staff has prepared the attached estimate of December revenue collections necessary to meet the budgeted estimate for fiscal year 2009-10, which began July 1, 2009. Collections are recorded on an accrual basis with December as the fifth month for which collections are measured in FY09-10.

The estimates are a projection of collection patterns required for each tax, total revenue collections, and general fund collections to meet the amount required to fund the budget adopted by the General Assembly for FY09-10. Monthly estimates will be revised as the budget is revised based upon recommendations of the State Funding Board in December 2009 and in the spring of 2010.

For December 2009, total collections were \$766,679,000, an under-collection of \$62,746,000 relative to the FRC budgeted estimate for the month. Sales taxes were under-collected by \$35,160,000. Franchise and excise taxes were under-collected by \$18,775,000, and all other taxes were under-collected by \$8,811,000.

Relative to actual collections in December 2008, total collections decreased by 5.47 percent, compared to the FRC budgeted estimate of a 2.27 percent increase. General fund collections decreased by 7.30 percent, compared to the FRC budgeted estimate of a 0.63 percent increase.

Sales tax collections decreased by 2.88 percent, compared to the FRC budgeted estimate of a 4.08 percent increase. Franchise and excise tax collections decreased by 19.79 percent, compared to the FRC budgeted estimate of a 6.61 percent decrease. All other tax collections decreased by 0.99 percent, compared to the FRC budgeted estimate of a 4.39 percent increase.

Year-to-date collections through the first five months of FY09-10 were \$3,820,910,400, a cumulative under-collection of \$95,054,600 relative to the FRC budgeted estimates for the five-month period. Sales taxes were under-collected by \$118,101,900 year-to-date. Franchise and excise taxes were over-collected by \$40,003,900 year-to-date. All other taxes were under-collected by \$16,956,600 year-to-date.

Relative to actual collections for the first five months of FY08-09, year-to-date collections for FY09-10 have decreased by 4.00 percent. Sales tax collections have decreased by 6.65 percent year-to-date. Franchise and excise tax collections have increased by 7.31 percent year-to-date. All other taxes have decreased by 1.11 percent year-to-date. The budget for FY09-10 adopted by the General Assembly assumed positive total revenue growth of 0.91 percent and negative general fund growth of 0.06 percent.

<i>December</i>	2008 Actual Collections	FRC Monthly Estimate for DEC 2009 (as of AUG 2009)	FRC Estimated Growth Rate (as of AUG 2009)	2009 Actual Collections	Actual Growth Rate for DEC 2009	Difference (Actual - FRC Estimate) Over / (Under)
Sales and Use Tax	\$504,646,162.70	\$526,260,000.00	4.08%	\$490,100,000.00	-2.88%	(\$35,160,000.00)
Gasoline Tax	\$48,914,022.94	\$49,400,000.00	0.99%	\$47,862,000.00	-2.15%	(\$1,558,000.00)
Motor Fuel Tax	\$10,227,154.09	\$12,600,000.00	23.20%	\$9,651,000.00	-5.63%	(\$2,949,000.00)
Gasoline Inspection Tax (Special Petroleum)	\$5,005,144.31	\$5,250,000.00	4.89%	\$4,904,000.00	-2.02%	(\$346,000.00)
Motor Vehicle Registration Tax	\$14,481,000.96	\$14,700,000.00	1.51%	\$15,568,000.00	7.51%	\$868,000.00
Income Tax	\$2,595,486.51	\$3,100,000.00	19.44%	\$2,371,000.00	-8.65%	(\$729,000.00)
Privilege Tax	\$13,069,822.11	\$16,500,000.00	26.25%	\$13,704,000.00	4.85%	(\$2,796,000.00)
Gross Receipts Tax - TVA	\$24,014,435.43	\$24,400,000.00	1.61%	\$26,498,000.00	10.34%	\$2,098,000.00
Gross Receipts Tax - Other	(\$87,766.46)	\$30,000.00	134.18%	(\$24,000.00)	-72.65%	(\$54,000.00)
Beer Tax	\$1,234,337.23	\$1,380,000.00	11.80%	\$1,240,000.00	0.46%	(\$140,000.00)
Alcoholic Beverage Tax	\$3,661,753.83	\$3,978,000.00	8.64%	\$4,047,000.00	10.52%	\$69,000.00
Franchise & Excise Tax	\$142,476,217.63	\$133,056,000.00	-6.61%	\$114,280,000.00	-19.79%	(\$18,775,000.00)
Inheritance and Estate Tax	\$7,144,189.16	\$7,800,000.00	10.58%	\$9,913,000.00	38.76%	\$2,013,000.00
Tobacco Tax	\$26,962,338.51	\$24,700,000.00	-8.39%	\$20,069,000.00	-25.57%	(\$4,631,000.00)
Motor Vehicle Title Fees	\$708,467.32	\$770,000.00	8.69%	\$777,000.00	9.67%	\$7,000.00
Mixed Drink Tax	\$3,971,670.95	\$4,400,000.00	10.78%	\$4,282,000.00	7.81%	(\$118,000.00)
Business Tax	\$1,728,937.30	\$1,800,000.00	4.11%	\$1,311,000.00	-24.17%	(\$489,000.00)
Severance Tax (Gas, Oil, & Coal)	\$205,114.01	\$200,000.00	-2.49%	\$178,000.00	-13.22%	(\$22,000.00)
Coin Operated Amusement Tax	\$2,760.00	\$2,000.00	-27.54%	\$5,000.00	81.16%	\$3,000.00
Unauthorized Substance Tax	\$75,328.33	\$0.00	-100.00%	(\$57,000.00)	-175.67%	(\$57,000.00)
Total Tax Revenue (Month)	\$811,036,576.86	\$829,425,000.00	2.27%	\$766,679,000.00	-5.47%	(\$62,746,000.00)
Total General Fund (Month)	\$676,096,000.00	\$680,325,000.00	0.63%	\$626,764,000.00	-7.30%	(\$53,561,000.00)
Total Tax Revenue - Cumulative (YTD)	\$3,979,924,699.85	\$3,915,965,000.00	-1.61%	\$3,820,910,430.27	-4.00%	(\$95,054,569.73)
Total General Fund - Cumulative (YTD)	\$3,260,381,000.00	\$3,178,189,000.00	-2.52%	\$3,091,755,000.00	-5.17%	(\$68,434,000.00)

Tennessee General Assembly, Prepared by Fiscal Review Committee Staff